

High Desert Corridor
Joint Powers Authority

May 3, 2017

Meeting Materials

Item 4

Approval of Minutes of September 28, 2016

**HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING**

Wednesday, September 28, 2016

10:30 a.m. (Pacific Time)

385 North Arrowhead Avenue

Magda Lawson Room – Fifth Floor

San Bernardino, CA 92415

Dial the Toll Free Access Number: **1-877-820-7831**

Enter the 6-digit Participant Pass Code followed by the # sign: **768402#**

The Board of Directors participated via teleconference from the following locations:

Robert A. Lovingood, Chairman	San Bernardino County Government Center, Magda Lawson Room 385 North Arrowhead Avenue, 5th Floor, San Bernardino, CA 92415
Dave Perry	San Bernardino County Government Center, Magda Lawson Room 385 North Arrowhead Avenue, 5th Floor, San Bernardino, CA 92415
Steven Hofbauer	City of Palmdale, City Hall – Administration Building 38300 Sierra Highway, Suite A, Palmdale, CA 93550
Rich Kerr	City of Adelanto 11600 Air Expressway, Adelanto, CA 92301
Ryan McEachron	San Bernardino County Government Center, Magda Lawson Room 385 North Arrowhead Avenue, 5th Floor, San Bernardino, CA 92415

Directors Present	Robert A. Lovingood , Supervisor, San Bernardino County First District (Chairman); Dave Perry , Los Angeles County; Ryan McEachron , City of Victorville.
Directors Calling-In	Steven Hofbauer (Alternate), City of Palmdale, Rich Kerr , City of Adelanto
Others Present	Carol Greene, San Bernardino County, County Counsel; Laurie Hunter, HDCJPA; Melissa McClain, San Bernardino County, First District; Laura Welch, San Bernardino County, Clerk of the Board (JPA Secretary); Donna Young, San Bernardino County, Clerk of the Board; Tricia Almiron, SANBAG
Others Calling-In	Allan Abramson, Los Angeles County, Department of Public Works; Michael Behen, City of Palmdale, Department of Public Works (PTAC Member); Steven Ems, San Bernardino County, Auditor-Controller/Treasurer/Tax Collector; Debbie Garth, San Bernardino County, Finance & Administration; Karen Hedlund, Transportation Solutions; Eric Jacobsen, SANBAG; Mazin Kasey, San Bernardino County, Department of Public Works (PTAC Member); Bryn Lynblad, Climate Resolve; Andrew Mack, XpressWest; Brad Miller, Town of Apple Valley (PTAC Member), Engineering Department; Michael Moore, Los Angeles County, County Counsel; Neil Peterson, Transportation Solutions; Karl Price, Caltrans; Andy Silva, San Bernardino County, Governmental Affairs.

<p>1.</p>	<p>Call to Order</p>	<p>Chairman Robert Lovingood called the meeting to order at 10:36 a.m. Secretary Laura Welch conducted a roll call of the Board of Directors and their alternates to determine if there was a quorum. With only four Directors present in person or by conference call, there was not a quorum. It was anticipated that Director Rich Kerr of the City of Adelanto would be calling in shortly to join the conference call.</p> <p>Until there was a quorum, Chairman Lovingood moved ahead to Item 3, Correspondence, a non-action/discussion item.</p>
<p>3.</p>	<p>Correspondence</p>	<p>Chairman Lovingood noted that as requested at the last High Desert Corridor JPA meeting, a letter was sent to Philip Washington, Chief Executive Officer for Los Angeles County Metropolitan Transportation Authority (LA Metro) requesting flexibility in the expenditure of funds authorized for the High Desert Corridor by Measure M. Chairman Lovingood stated that Vice Chairman Antonovich and his Transportation Director and new JPA Board member, Dave Perry, went to work with Metro senior staff and were successful in securing the changes for the JPA Board.</p> <p>Director Perry stated that at that point in time, the description of the project and what they had the funds allocated towards was potentially very limiting and detrimental to the long-term success of the project. The funds were tied directly to right-of-way acquisition only, and it was clear to both he and Supervisor Antonovich that to have the flexibility necessary to execute a successful P3 long term, they were going to have to change the language to include critical components in the project description to adequately describe it, such as the green energy corridors, rail component and the bike lane component. They were successful in getting all those description changes added and getting funding limited to only right-of-way acquisition dropped from the wording. Director Perry indicated that an asterisk was put on the project name, with the details of the asterisk explaining that the JPA can determine what to use the money on, with final approval from the Board of Directors of Metro. Laurie Hunter added that the amount of the money for the first three years is \$170 million, plus a match from any other source, be it SANBAG, the private sector, or Measure A or Measure C in Los Angeles County. She continued that in the first three years after the Measure, the project has \$270 million allocated to it. Ms. Hunter stated that they then programmed all the projects eligible and put a dollar amount to them extending 50 years in to the future, to 2063 for this project. When we get to the point where we would be able to use the money, there would be \$1.8 billion in 2063 dollars in the Measure. Should we become ready to use that money, the Metro Board could accelerate our funding. Director Perry added there may be ways to expedite the delivery of that money. Also, the JPA could utilize this as leverage to bring in private investment in advance and grant funding, federal funding, which could greatly accelerate that money and execution of this project.</p>

Director Steven Hofbauer asked how they came up with the year 2063. Ms. Hunter explained that there are five subregions that they had to get approval from for the Measure, and their projects went through a prioritization process, and at the end of the process, the HDC project was added on.

Bryn Lynblad of Climate Resolve interjected that she believed Metro determined sequencing of the all projects, running them through a set of criteria, with mobility weighted the highest, accessibility, sustainability, and economic impact.

Director Perry stated that this money is identified outside of the original 40-years. He highly recommended that someone from Metro explain the true details of this process, stating that he only has a general understanding of it. He continued that this was one of six or seven projects added when Metro decided to switch from a 40-year to a non-sunsetting measure. As part of the measure and the ordinance, beginning at year 20, there is an every 10-year cycle of reviewing the projects that are listed, assessing the level of completion and going through a process of determining how to allocate/reallocate funding, which is submitted as a recommendation to the Metro Board of Directors. Director Perry said after the 40-years, it was unknown what would happen with all the sales tax revenue coming in. This was identified within the North (LA) County subregion as a priority project through the bottoms-up approach, and Metro is allocating the money out of that back-end, after the 40-year sunset, to pay for that \$1.8 billion.

Michael Behen, PTAC member from the City of Palmdale, commented that this has been identified as a priority project in North LA County, but the fact that the year 2063 for the allocation was assigned to the project is embarrassing. They have been told by Metro that this project is a candidate for P3 and things can change, but this does not give a positive appearance.

Director Hofbauer stated that people have expressed concern that the date is so far in the future and that groundbreaking for this project will not happen in their lifetime.

Director Perry strongly encouraged that the North County Transportation Coalition in LA County get a thorough briefing from Metro, as well should this JPA. He acknowledged that on paper, it doesn't look good, but as far as P3 projects in LA County right now, this is the leading P3 project. It has met more milestones than any other project, and he is confident that it will move forward in a much more accelerated fashion.

Director Hofbauer asked how we reconcile the fact that the primary private partner on this P3 project, XpressWest, has been dealt a huge financial setback, because their supplier could not meet the "buy American" requirement and they have lost their funding backing. Andrew Mack of XpressWest commented that that should not be a consideration. Mr. Mack continued that they are moving forward with their project, and moving forward with alternative financing options. Although they canceled their agreement with

		<p>China Rail International, that was just one option that they had at that time. He said they have several other options at this time.</p> <p>As there were no other questions or further discussion, this item was closed.</p> <p>Director Rich Kerr joined the conference call and Chairman Lovingood officially called the meeting to order at 10:51 a.m.</p>
2.	Approval of Minutes of June 1, 2016	<p>A motion to approve the minutes of the June 1, 2016 Board meeting was made by Director Perry, seconded by Director McEachron. Secretary Welch conducted a roll call vote of the members. Ayes: Chairman Lovingood, Director Perry, Alternate Director Hofbauer, Director Kerr, Director McEachron; Nays: None. Approved unanimously, as submitted, by all members present.</p>
4.	<p>Recommend action to advance the High Desert Corridor as a Public-Private Partnership (P3):</p> <p>a. Authorize receipt of \$835,000 from Los Angeles County in accordance with the FY 2016-17 Budget for programming/ expenditure of the funds</p>	<p>A motion to approve 4.a. was made by Director Perry, seconded by Director McEachron. Secretary Welch conducted a roll call vote of the members. Ayes: Chairman Lovingood, Director Perry, Alternate Director Hofbauer, Director Kerr, Director McEachron; Nays: None. Approved unanimously by all members present.</p>
	<p>b. Amend the Transportation Solutions (TS) Professional Services Agreement to:</p> <p>i. Rename the TS Agreement: Public Private Advancement for Rail Connector Implementation, Highway, Bikeway, Green Corridor and Land Use;</p> <p>ii. Extend the term of the agreement to December 31, 2018;</p> <p>iii. Increase the TS contract amount by \$745,000 and amend the TS Scope of Work, as attached;</p> <p>iv. Authorize the Chief Administrative Officer of the JPA, with concurrence of HDCJPA Counsel, to authorize subcontracts by TS not to exceed \$320,000, in addition to the compensation of TS, for collateral publications, media placement or special services, including Advocacy,</p>	<p>A motion to approve 4.b. was made by Director McEachron, seconded by Director Kerr. Secretary Welch conducted a roll call vote of the members. Ayes: Chairman Lovingood, Director Perry, Alternate Director Hofbauer, Director Kerr, Director McEachron; Nays: None. Approved unanimously by all members present.</p>

	<p>Financial, Engineering and Legal services to be supervised by Transportation Solutions in collaboration with HDCJPA staff as needed to implement the TS Scope of Work.</p>	
<p>5.</p>	<p>Public Comment</p>	<p>There was no public comment. Chairman Lovingood asked if there were any Directors' comments.</p> <p>Director Perry commented regarding Measure M and the \$1.8 billion. He said it is important to note for the record that Supervisor Antonovich's support was not hinging on the \$1.8 billion; that for the projected figures over the first 40 years for the subregions within the Fifth District, it incorporates the wishes of a bottoms-up approach and of fair share. He stated that the North County Subregion in 2015 dollars, will receive at least \$3.5 billion, not counting the \$1.8 billion from High Desert Corridor in 2063. He added that the North County Subregion submitted over 300+ projects between all the cities and the incorporated areas of the County; and that those projects, as they get to a more ready state, will be eligible for funding from all of those pots of money, which equates to hundreds of millions of dollars. Director Perry said he truly believes the JPA should get a briefing on HDC and the \$1.8 billion, and how they came about that. He concluded that the Supervisor believes this was a fair approach for each of the subregions within the Fifth District.</p> <p>Michael Behen wanted to note for the record that the majority of those monies are way, way far out in the plan. The highway and street projects submitted are in 2048; the HDC, 2063; many other projects are several decades away.</p> <p>Chairman Lovingood questioned that, though the dates have been set, this body could change or move those dates, as far as the HDC is concerned. Director Perry said it definitely could be.</p>
<p>6.</p>	<p>Adjourn</p>	<p>There being no further business, Chairman Lovingood adjourned the meeting at 10:58 a.m.</p>